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SUBJECT: AMBASSADOR'S FAREWELL CALL WITH MINISTER OF LABOR

REF: MANAMA 696

Classified By: Ambassador William T. Monroe for reasons 1.4 (b) & (d).

- 11. (C) Summary: During his farewell call with Minister of Labor Dr. Abdelmajeed Al-Alawi on 30 July, the Ambassador raised the recent firing of two union leaders at Bahrain Telecommunications Company (BATELCO), the controversy surrounding implementation of a new unemployment insurance program, and the planned amnesty for illegal TCN workers. He also engaged the Minister in a lively discussion on the challenges facing Bahrain, including what the Minister views as the dilemma of democratic and personal freedoms. Al-Alawi labeled the BATELCO firings as "illegal" and made clear his expectation that the employees in question would be reinstated. He dismissed recent criticism of the unemployment program from parliamentarians as a reaction to "feeling the heat" from their constituents. He also confirmed that the planned amnesty would go forward beginning 1 August and clarified that all TCN workers, including those who entered on "visit" visas, could take advantage of the amnesty by regularizing their work status or leaving Bahrain without penalty. Regarding the challenge of reform, Al-Alawi expressed his belief that the King is committed to pushing the envelope, albeit gradually. End summary.
- 12. (C) The Ambassador asked Al-Alawi for his thoughts on how the BATELCO case would play out and the Minister stated authoritatively that the fired employees had been improperly dismissed and would be reinstated. He noted that Executive Order 62 banning strikes in certain, key sectors had been used by the company to justify the sackings. According to Al-Alawi, the employees in question did not engage in a strike. Rather, they met to discuss union matters off-the-clock, and had, in fact, worked an additional hour to ensure that they had fulfilled their commitments. The Minister was confident that the employees will be reinstated, noting that it was within his discretion to revoke work permits for all of BATELCO's expatriate staff if it were to come down to a matter of coercion. Al-Alawi also stressed that the company should not use the reinstatement as a bargaining chip, but needed to right the wrong committed against the union leaders.
- 13. (C) Regarding the recent public debate over the passage of a 1 percent tax to fund a national unemployment insurance program, Al-Alawi noted that the Council of Representatives had approved the measure and that many of the parliamentarians now critical of the law had voted in favor of it. He attributed this to their "feeling the heat" from constituents who don't understand the long-term benefits of unemployment insurance, and likened the situation to the introduction of pension contributions in 1976. Once people began to avail themselves of the benefits of the pension plans, they stopped complaining about the deductions from their salaries. Al-Alawi expressed certainty that the controversy would soon die down and regards the unemployment

insurance law as one of his most valuable accomplishments, along with the amnesty and an order to stop work between the hours of 12 and 4 pm during July and August when the heat index can reach 140 F. (NOTE: The Ambassador raised this issue at a later meeting with Shura Council Speaker Ali Al-Saleh who had no doubts about implementation of the program, though he did note that some lawmakers might seek to introduce proposals to amend the law during the next session of Parliament.)

- ¶4. (C) The Minister confirmed that the previously announced amnesty for TCN workers in illegal status will begin 1 August and run through 31 December. There had been concern previously (reftel) whether the amnesty would be comprehensive, or whether it would only cover those workers who had at one time been in legal status. Al-Alawi cleared up any confusion on the matter, stating that the amnesty would cover all workers in illegal status, including those who had arrived on "visit" visas and subsequently overstayed to work in Bahrain.
- 15. (C) Noting that Al-Alawi is a Shi'a Minister (who spent many years in exile in London), the Ambassador asked how the Minister saw democratic reform playing out in Bahrain. Al-Alawi responded that the King is committed to pushing forward with democratic reforms at a sustainable pace. He noted the difficulty in balancing democracy and personal freedom and how too much democratic freedom too quickly can ultimately result in fewer personal freedoms within a society. The Ambassador agreed that it is vital to look at democracy as a process, and the trick is to sustain progress in a way that maintains buy-in from all elements in society.
- 16. (C) Comment: Confirmation of a comprehensive amnesty is good news, particularly with respect to trafficking concerns. By allowing all illegal workers to participate in, and benefit from, the amnesty, the government is providing a path for those most at risk of being exploited to step forward and either regularize their status or return home without financial or legal penalty.